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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	: Chapter 11
	: :
ERBO PROPERTIES LLC, <i>et al.</i>	: Case No.: 23-10210 (LGB)
	: :
Debtors.	: (Jointly Administered)
-----X	

**APPLICATION OF THE DEBTORS SEEKING TO EXTEND THE DEADLINES
SET FORTH IN THE COURT’S JUNE 28, 2023 SCHEDULING ORDER**

TO: THE HONORABLE LISA G. BECKERMAN
UNITED STATES BANKRUPTCY JUDGE

By this application (the “Application”), ERBO Properties LLC (“Erbo”), KOVA 521, LLC (“KOVA”) and Gold Mezz LLC (the “Mezzanine Borrower”), the debtors and debtors-in-possession (the “Debtors”) in the above-captioned jointly administered cases, through their proposed substitute counsel, seek the entry of an Order to extend the deadlines set forth in the Scheduling Order with Respect to Hearing on Disclosure Statement and Other Related Matters entered on June 28, 2023 (the “Scheduling Order”). In support of the Application, the Debtors state as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§157 and 1334.
2. This is a core proceeding within the meaning of 28 U.S.C. §157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The Debtor submits this Application pursuant to Section 105(a) Bankruptcy Code.

RELIEF SOUGHT

4. By way of this Application, the Debtors seek an extension of the deadlines set forth in the Scheduling Order for two weeks.

BACKGROUND

5. On February 13, 2023 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”).

6. On February 14, 2023, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered an Order authorizing the joint administration of the Debtors’ bankruptcy cases.

7. Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtors continue in possession of their property as debtors in possession.

8. The United States Trustee has not appointed a Chapter 11 trustee. No committee of unsecured creditors has been appointed.

9. The Debtors are New York limited liability companies. Erbo is the owner of real property located at 541 West 21st Street, New York, New York (the “Property”) having acquired same in the early 1980s. For many years, the Property was utilized primarily as storage space. As the real estate market changed in West Chelsea, the Debtor elected to redevelop the Property into a first-class modern office building. The costs associated with redeveloping the Property caused Erbo to experience financial difficulties resulting in the filing of this Chapter 11 case.

10. The Mezzanine Borrower is the sole member of KOVA, and KOVA is the sole

member of Erbo.

The Stay Relief Motion Filed by 541 W 21 SME LLC

11. On April 18, 2023, 541 W 21 SME LLC (“SME”), a creditor of the Mezzanine Borrower, filed a motion for an Order terminating the automatic stay pursuant to 11 U.S.C. § 362 and other related relief (the “Stay Relief Motion”).

12. As set forth in the Stay Relief Motion, prior to the Petition Date, on or about November 19, 2021, SME and the Mezzanine Borrower entered into a Mezzanine Loan Agreement in the principal amount of \$4,750,000 (the “Mezzanine Loan Agreement”). As security for that loan, the Mezzanine Borrower entered into a Membership Interests Pledge and Security Agreement with SME, dated November 21, 2021, whereby the Mezzanine Borrower pledged and assigned to SME its membership interest in KOVA (the “Pledged Interest”).

13. By way of the Stay Relief Motion, SME sought relief from the automatic stay to proceed with a UCC sale of the Pledged Interest.

14. On May 5, 2023, the Bankruptcy Court entered an Order confirming that the automatic stay remained in full effect and scheduling a continued hearing on the Stay Relief Motion to June 6, 2023.

15. On June 7, 2023, the Bankruptcy Court entered an Order, which granted, in part, and denied, in part, the Stay Relief Motion (the “Stay Relief Order”). Under the Stay Relief Order, SME was permitted to notice a UCC sale of the Pledged Interest. However, the Stay Relief Order explicitly prohibited SME from taking possession of the Pledged Interest or conveying it to any successful bidder absent further order of the Bankruptcy Court.

16. SME has noticed a UCC sale of the Pledged Interest for July 10, 2023. The

Debtors have challenged the propriety of the sale in state court.

17. A final hearing on the Stay Relief Motion is scheduled for July 12, 2023 at 10:00 am.

The Debtor's Plan and the Scheduling Order

18. On May 15, 2023, the Debtors file a proposed Joint Consolidated Plan of Reorganization (the "Plan") and an accompanying Disclosure Statement.

19. The Plan provided for the Debtors to complete construction of the Property to be developed as an office building and, thereafter, sell the Property no later than 24 months from the Effective Date (as such term is defined in the Plan). The Plan also provided for the substantive consolidation of the Debtors. Multiple creditors, including SME, filed objections to the Plan. And Disclosure Statement.

20. On June 28, 2023, the Bankruptcy Court entered the Scheduling Order, which set forth the following schedule: (a) June 20, 2023 by 5:00 pm – deadline for Debtors to file appraisal and a list of the Debtors' witnesses for the July 12, 2023 hearing; (b) July 6, 2023 at 5:00 pm – deadline to file amended plan of reorganization and amended disclosure statement; (c) July 7, 2023 at 8:00 am – discovery conference before the Court; (d) July 11, 2023 at 4:00 pm – deadline to file objections to approval of the amended disclosure statement; and (e) July 12, 2023 at 10:00 am – hearing on the Debtors' Disclosure Statement, Stay Relief Motion, the Debtors' Motion to Enter into Agreements with Irving Oak Management and Mabe Group Inc. and the Debtors' Motion to Reject a Development Management Agreement with Higher Ground 541, LLC and Construction Management Agreement with Cauldwell Wingate Company, LLC.

The Proposed Migrant Shelter Lease

21. In exploring additional options to improve their chances of confirming a plan, the Debtors were presented with an opportunity to develop the Property as a migrant shelter through HipHoticHelps, Inc. (“HHH”), a non-profit entity which has contracted with NYC’s Department of Social Services (“DSS”) to provide housing and various services for a designated population under a DSS funded program.

22. In the latter part of June, the Property was identified to HHH as a potential housing source for the DSS funded program. HHH walked through each floor of the building located at the Property (the “Building”) and then provided the Debtors with written configuration requirements. The Debtors provided HHH with a sketch showing how the requirements could be met. On June 28, 2023, DSS confirmed that the proposed use of the Building had been reviewed by an agency analyst for viability and that the schematics had been approved with final approval to be contingent on inspection.

23. HHH has issued a proposed Binding Letter of Intent (Contingent on Build Out) to Uline Holdings, LLC (“Uline”)(copy annexed as **Exhibit A**) and Uline has similarly proffered to the Debtor a Binding Letter of Intent (Contingent on Build Out) (copy annexed as **Exhibit B**) with the following significant terms:

- a) net lease 3-year term;
- b) annual rent of \$10.15 million plus real estate taxes and general liability insurance coverage;
- c) two months security and final month’s rent (\$2,537,500) in advance;
- d) lease commencement September 1, 2023 (later changed to October 1);
- e) Property configured in accordance with HHH specifications; and
- f) lease contingent on temporary certificate of occupancy and DSS final inspection after buildout.

24. The proposed transaction will be structured with Erbo entering into a lease (the

“Migrant Shelter Lease”) of the Property with Uline incorporating these terms. Uline would, in turn, lease the Property to HHH (the “HHH Sublease”). As a condition precedent to the effectiveness of the Migrant Shelter Lease, Uline will deliver to Erbo either (a) a collateral assignment agreement whereby Uline assigns its rights in the sublease with HHH to secure rents due under the Migrant Shelter Lease; or (b) a Recognition Agreement with HHH whereby, in the event there is a default under the Migrant Shelter Lease, the Debtor shall serve as landlord under the HHH Sublease and be entitled to collect all rent due thereunder.

25. HHH and Uline have confirmed to the Debtors that they intend to enter into a sublease of the Property and, to accommodate the Debtors, agreed to push back the starting date of the Migrant Shelter Lease to October 1, 2023. Annexed hereto as **Exhibit C** is a correspondence that HHH provided to the Debtors confirming that it is prepared to move forward with the transaction.

Financing and the Proposed Buildout.

26. A pre-condition to the Migrant Shelter Lease is that Erbo develop it in accordance with specifications outlined by HHH. The estimated cost of the HHH specified buildout is approximately \$4 million¹. The Debtors have identified contractors who can complete the job in 4-6 weeks running extra crews.

27. Hershel Klein (“Klein”) is willing to loan Erbo the amount necessary to develop the Property and to pay the real estate taxes for July. Very significantly, and of tremendous benefit to the Debtors, he will agree that (i) repayment of the loan is conditioned on the buildout of the Property passing NYC inspection and the Migrant Shelter Lease going into effect and (ii)

¹ Klein has demonstrated, in connection with the current Plan, an ability and willingness to loan \$5 million to the Debtors.

that repayment can only be to the extent of proceeds that are received from that lease. He requires a senior security interest in the lease proceeds that his loan will have generated and that he be given an administrative claim if (i) the management of the Debtors changes or a trustee is appointed (ii) or a plan is approved which does not allow the Migrant Shelter Lease to go into effect.

28. Klein is prepared to fund that loan upon the NYC Department of Buildings (“DOB”) approving the plans for the Property and court approval of (i) his loan to the Debtors; (ii) the Debtors’ retention of his selected construction professionals; and (iii) the proposed lease with Uline. The Debtors intend to submit applications seeking these approvals on July 10, 2023.

29. Because architect plans are in progress for submission by June 11, 2023 and HHH has represented that it can expedite matters in the DOB because of the exigent migrant crisis, the Debtors expect that DOB approval will occur no later than July 20, 2023. Accordingly, the Debtor is seeking an extension of the deadlines set in the Scheduling Order by approximately two weeks.

Due Diligence as to the Likelihood of the Migrant Shelter Going into Effect.

30. Klein, an officer of the Debtors and a successful businessman, has done extensive due diligence since the Migrant Shelter Lease opportunity presented itself. He is sufficiently confident that the Migrant Shelter Lease will go into effect, that upon DOB approval of the Building’s plans and appropriate court protections and approvals, he is willing to advance all of the funds, estimated at approximately \$4 million, to do the buildout---and he is willing to do it at no risk to the Debtors. If HHH does not take possession of the Property, the Debtors will have no obligation to repay him.

31. Klein is able to make this offer only because as a successful level-headed

businessman, he has employed professionals on his own account, consulted with building professionals and attorneys and devoted his time around the clock for the last two weeks to flesh out the proposed deal which is financially backed by New York City.

Relief Requested and Basis Therefor

32. By way of this Application, the Debtors respectfully request the entry of an Order extending the deadlines set forth in the Scheduling Order for two weeks. Annexed hereto as **Exhibit D** is a proposed form of Order.

33. The Scheduling Order provides “. . . that this order may not be modified, or the dates herein extended, except by further order of this Court for good cause shown.” “Whether good cause exists turns on the diligence of the moving party.” *Id.*, citing *Holmes Grubman*, 568 F.3d 329, 335 (2d Cir. 2009); *In re Adelpia Commc’ns Corp.*, 452 B.R. 484, 491 (Bankr. S.D.N.Y. 2011); *see also In re James F. Humphreys & Assocs., L.C.*, No. 2:16-bk-20006, 2018 WL 1597429, at *2 (Bankr. S.D.W.V. Mar. 26, 2018) (“[T]he touchstone for a showing of good cause is diligence.”). In other words, the movant must demonstrate that “the deadline cannot reasonably be met despite the diligence of the party seeking the extension.” *Servo Corp. of Am., Inc.*, 2015 WL 756651, at *2, citing *Parker v. Columbia Pictures Indus.*, 204 F.3d 326, 340 (2d Cir. 2000). “Examples of a party’s failure to act with sufficient diligence include basing a proposed amendment on information that the party knew, or should have known, in advance of the deadline.” *Adelpia Commc’ns Corp.*, 452 B.R. at 492. “If [a] party was not diligence, the [good cause] inquiry should end.” *Rent-A-Center, Inc. v. 47 Mamaroneck Ave. Corp.*, 215 F.R.D. 100, 104 (S.D.N.Y. 2003).

34. While “reasonable diligence is the primary, if not sole, factor for establishing good cause,” *Adelpia Commc’ns Corp.*, 452 B.R. at 494, when deciding whether to extend or modify the scheduling order, the court may consider other relevant factors, including whether the nonmoving party will suffer prejudice by the modification. *Servo Corp. of Am., Inc.*, 2015 WL 756651, at *2, citing

Kassner v. 2nd Ave. Delicatessen, Inc., 496 F.3d 229, 244 (2d Cir. 2007).

35. The Debtors respectfully submit that there is good cause to extend the deadlines set forth in the Scheduling Order, including, but not limited to the June 6th deadline for the Debtors to file an amended plan and amended disclosure statement. When the Court established the schedule, the Court expressed concerns that the Plan was not feasible. At the continued hearing on the Stay Relief Motion, the Court stated as follows:

But what I do have a problem with . . . but it's been the thing that I've been having the hardest time grappling with myself and considering this, is money. And why do I say money? Well, [counsel for SME] point out that there's a payment that's due July 1st for taxes, and I don't have any evidence that there's money for that . . . Then I've got – you have plan that you're proposing to send out for a vote that assumes that things are going to happen and a sale isn't gong to take place until sometime remotely close to two years from now. Well, how is that going to be paid for? I don't have any information about that whatsoever. And those - - there's real costs. I mean, there's not just the cost of the TCO. There's definitely the cost we've heard of probably a leasing agent, possibly some build-out, the fact that you have to have security, you have to have insurance, you have to have all kinds of – so those have to be paid . . . But the problem that I have is I – based on the evidence I have today, there's no way that somebody is going to provide exit financing here that is anybody other than the Bodeks or the existing lenders. It's just not going to be possible. You can't prime them . . . So, the idea that there's going to be exit financing from some mysterious third party is not going to happen.

Transcript of Stay Relief Motion Hearing on June 6, 2023, at 117:18-119:10.

36. The Debtors have found a transaction that will bring the “money” –significant “money”-- to the Debtors' bankruptcy estates. The proposed lease will provide \$10.15 million in rental income and the tenant will pay real estate taxes and all expenses for the Property with the exception of property insurance, which can be paid from the rental income. Further, the rental income will be sufficient to retain a broker to sell the Property or locate exit financing. Finally, there is immediate money from Klein to fund the cost of the buildout and July real estate taxes.

37. If Erbo is able to consummate the transaction in the Migrant Shelter Lease, it would harvest significant monies for the Debtors' estate and provides a legitimate basis for the Debtors to amend their Plan. The Property would be stabilized by October 1, 2023, and would reliably generate considerably more profit than was projected upon completion of an office buildout-- at least for three years. During that period of time an owner would also have time to attempt to re-zone the Property or prepare it for other uses if the DSS elects not to renew the sublease.

38. Preliminary estimates suggest that with the Migrant Shelter Lease in place, the Property would be worth well in excess of all of the Debtors' obligations. The Debtors will produce an appraisal to that effect.

39. The opportunity to develop this significant proposal first presented itself only in late June—too late for the Debtors to meet the deadlines in the Scheduling Order. Most of the objections to confirmation of the Plan would be ameliorated by the speediness with which the Property would be stabilized and positive cash flow generated. A 100% payout to creditors through a sale or refinance of the Property could be speedily achieved. The Debtors were unable to provide the necessary details for an amended disclosure statement within the time frame initially established in the Scheduling Order, but can do so with an additional two weeks.

40. By contrast with the tremendous upside for all constituencies of the Debtors, little harm will accrue to SME if it waits an additional two weeks to consummate a takeover of management of the Debtors.

41. The Debtors submit that these new circumstances warrant an extension of the Scheduling Order deadlines.

NOTICE

42. Notice of this Application is being provided to (i) the Office of the United States Trustee; (ii) counsel to Debtors' lenders; and (iii) all parties who filed a notice of appearance in Debtors' jointly administered Chapter 11 cases. The Debtors submit no other or further notice need be provided.

43. No previous application has been made for the relief requested herein.

WHEREFORE, the Debtors respectfully request entry of an order annexed hereto as Exhibit "B" granting the relief requested herein.

Dated: New York, New York
July 6, 2023

Law Office of Isaac Nutovic

*Proposed Substitute Attorneys for Erbo Properties LLC,
Kova 521, LLC and Gold Mezz LLC
Debtors and Debtors-in-Possession*

By: /s/ Isaac Nutovic

Isaac Nutovic, Esq.

261 Madison Avenue, 26th Floor

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Telephone: (917) 922-7936

Exhibit A



BINDING (CONTINGENT UPON BUILD OUT)

LETTER OF INTENT FOR

ASYLUM SEEKER- TIER 2 TRANSITIONAL SINGLE ADULT & ADULT FAMILY SHELTER



SUBTENANT NON-PROFIT CORPORATION 501 C3	HIPHOTICHELS INC. (HHH) for Housing A Nation™ Shelter REGISTRATION ID: 46-68-78 EIN: 82-1811772 UEI Number: DQPJZLLRJ749 (FEDERAL FUNDING IDENTIFICATION NUMBER)
PROPERTY TENANT INFORMATION & PROPERTY ADDRESS	541 WEST 21ST STREET TENANT: ULINE HOLDINGS LLC 215-48 JAMAICA AVE, QUEENS VILLAGE, NY 11428 SAN JACOBS, MEMBER C: 347-385-8624 F: 347-365-9132 E: EZLJAC@GMAIL.COM
Block & Lot	Block: 693 Lot: 10
Square footage	60,000 sq feet
Zoning	CHELSEA, New York County



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IG Phillips Global LLC Due Diligence Statement: The vetting process of selecting viable properties for Housing A Nation™ Shelters involves collecting data and property information about a company and reviewing available financial records. Past company performance is also considered and will be referenced against competitors; anything else deemed material of property portfolio should be reviewed, such as key personnel and the names of other large investors. Due diligence is primarily a way to reduce exposure to risk and to ensure good decisions are made with available funds. The process ensures to the City of New York, New York State, and Federal Governments are aware of all the details of a transaction before they agree to it, as HipHoticHelps Inc. Non Profit 501 C3 Corporation and IG Phillips Global LLC has performed the process of elimination throughout the due diligence process and provides statement of operating under good character and integrity.



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ASYLUM SEEKER- TIER 2 TRANSITIONAL SINGLE ADULT & ADULT FAMILY SHELTER



CB (Community Board)	Manhattan Community Board 4 424 W. 33rd Street, Suite 580 New York, NY 10001 Telephone: 212-736-4536
Current Use:	TIER 2 SHELTER
Seller's Brokers	HENRY WEISS 718-809-5700 hen611@gmail.com
Monthly & Annual Lease	



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Intended Use	<p>DEPARTMENT OF SOCIAL SERVICES (DSS) HUMAN RESOURCE ADMINISTRATION (HRA)</p> <p>Asylum Seeker- Migrant Shelter- Tier 2 TRANSITIONAL CONGREGATE (180 UNITS/330 BEDS) Housing A Nation Shelter for Single Adult & Adult Family Populations</p>
Lease Term with Renewals	<p>Department of Social Services (DSS) Asylum Sanctuary program launch and client move in anticipated to begin 9/01/2023- 8/30/2026 for 3 years term</p>
Security deposit	<p>(2) MONTHS SECURITY [REDACTED] PLUS LAST MONTH RENT= [REDACTED]</p> <p>MOVE IN COST TOTALING= [REDACTED]</p>
Utilities / maintenance and repairs	<p>Property Management Services will be provided by (HHH) HipHolicHelps Inc. Site Management staff with daily, weekly, and monthly documented site inspections. All internal repairs will be conducted and managed by HHH. It is required that property owner assign authorized approved representative to conduct a scheduled and documented site evaluation with the Chief Operations Officer/Site Director or assigned Facility Manager on a monthly basis. Property authorized representative will be required to sign monthly site</p>



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	evaluation for Site Management Plan SOP, monitoring, and reporting systems.
Taxes/insurance	<p>HipHoticHelps Inc is a tax exempt nonprofit 501 C3 corporation. Taxes will be paid by HHH and will request reimbursement from IRS.</p> <p>General Liability Insurance to be paid by HHH. DHS and Uline Holding LLC will be included on the insurance coverage while operating as a Tier I Emergency Shelter.</p>
Intake and Assessments For Programming System Proposed Hours of Operations	(4) Intake & Assessment Case Managers, (5) Residential Aides with (26) Security Fire Safety Guards and (3) Supervisors 24 hours per day / 7 days per week
Concession and Request to City of New York	<p>Building located at 97 WYCOFF, BROOKLYN, NEW YORK 11237</p> <p>held exclusively for HIPHOTICHELPS INC. Non-Profit 501 C3 Corporation for the duration of property vetting, viability, and approval. Review and Approvals are contingent upon the City of New York. After the execution of the lease and move in costs are submitted to Landlord by AUGUST 15th 2023, a request of "No Standing" for parking of transportation vans and loading cargo will be needed for seamless shelter operations with no obstructions for transport of residential clients and goods to HHH (subtenant) in preparation of the programming to begin 9/01/2023.</p>



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BUILD OUT REQUIREMENTS FOR APPROVAL

I. Residential Units Requirement Details

Proposed 330 beds and 180 residential Units Adult & Family Shelter

(a) 30(100 sq ft) SRO (Single Room Occupancy 2nd Floor Only All

ADA Compliant) equipped for Television and Wifi/Cable in each unit

Each unit has a built in closet for ADA residents

(b) 30 minimum per floor (120 sq ft) DRO (Double Room Occupancy 3rd Floors) equipped for Television and Wifi/Cable in each unit

Each unit has a built in closet for each double occupancy resident

(c) All units without windows should have plexi-glass installed for light. (d) All units are required to have proper ventilation (AC/Heat) and will be controlled by HSH site management

Residential Unit Amenities Requirement Details

(a) 4 Bathrooms with 4 Showers on 2nd Floors

(b) 4 Bathrooms with 4 Showers on 3, 4th, 5th, 6th, and 7th Floors

(c) 2 Public ADA Compliant Bathroom for Clients 2 Private Staff Bathrooms / 2 Showers

II. Ground Floor Requirement Details

(a) Commercial Kitchen/Dining Hall with Food Storage Pantry (approx 3000 sq ft

See Exhibit A)



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(b) Recreational Room (approx 1000 sq ft) with large lounge area with fireplace and Television Ground Floor

(c) Computer Room (200 sq ft) with 10 Computer stations along the wall and central printers (room must be secured & locked after curfew and bed check)

Ground Floor

(d) Staff/Security Break Room with Kitchenette (Ground Floor) (200 sq ft)

(e) 5 Intake Offices (100 sq ft) with Computers/Wifi/Cable (Ground Floor)

With Large Waiting Area (approx 1000 sq ft)

(f) 2 Bathrooms 2 Showers (1) ADA Compliant Bathroom/Shower (Ground Floor)

III. Cellar Floor Requirement Details

(a) Laundry Room with 8 Washers & Dryers (approx 2000 sq ft) Basement with Linen Closet (200 sq ft)

(b) Resident Storage Room (approx 3000 sq ft) Basement

(c) Janitorial Supply Closet (approx 1000 sq ft) Basement

Property Evaluation Housing A Nation™ Shelters for Migrants 541 W 21 st Street, New York, New York 10011

IV. 8

th Floor HipHolicHelps Inc. Non-Profit Corporate Headquarter



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	<p>Offices for Housing A Nation Shelters</p> <p>(a) 20 Staff Offices (100 sq ft)</p> <p>(b) 2 Group Therapy Rooms (1000 sq ft)</p> <p>(c) 2 Finance Offices (200 sq ft) with built in closets that can be locked and secure</p> <p>(d) Conference Room (1000 sq ft) with Projector, Television, Wifi, (e) 4 Administrators Desk (No Office) with Computers/Printers/Scanners (200 sq ft)</p> <p>(f) Registered Scheduled Guest Waiting Area (400 sq ft)</p> <p>(g) Staff Cubicles (800 sq ft)</p> <p>(h) Chief Operations Officer/Site Management Office (400 sq ft)</p> <p>(i) Chief Executive Officer/Program Management Office (400 sq ft)</p> <p>(j) Supply Closet (approx 300 sq ft) Basement</p>
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WWW.IGPHILLIPSGLOBAL.COM
BIGFISH@IGPHILLIPSGLOBAL.COM
O: 1 (646) 380-1849
F: 1 (718) 346-7555

IG Phillips Global LLC Due Diligence Statement: The vetting process of selecting viable properties for Housing A Nation™ Shelters involves collecting data and property information about a company and reviewing available financial records. Past company performance is also considered and will be referenced against competitors; anything else deemed material of property portfolio should be reviewed, such as key personnel and the names of other large investors. Due diligence is primarily a way to reduce exposure to risk and to ensure good decisions are made with available funds. The process ensures to the City of New York, New York State, and Federal Governments are aware of all the details of a transaction before they agree to it, as HipHolicHelps Inc. Non Profit 501 C3 Corporation and IG Phillips Global LLC has performed the process of elimination throughout the due diligence process and provides statement of operating under good character and integrity.

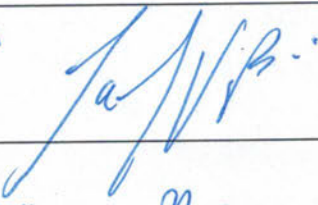
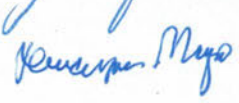



BINDING (CONTINGENT UPON BUILD OUT)

LETTER OF INTENT FOR

ASYLUM SEEKER- TIER 2 TRANSITIONAL SINGLE ADULT & ADULT FAMILY SHELTER



Print Name: Trish Vaaburch Signature of HipHoticHelps Inc. CEO and Executive Program Director DATE:	 6-26-2023
Print Name: Duwayne Mayo Signature of HipHoticHelps Inc. COO and Executive Site Director DATE:	 6-26-2023
Primary Tenant Uline Holdings LLC: Signature of Property Authorized Representative: DATE:	 6/26/2023



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Exhibit B

**BINDING (CONTINGENT UPON BUILD OUT)
LETTER OF INTENT FOR
ASYLUM SEEKER- TIER 2 TRANSITIONAL SINGLE ADULT & ADULT FAMILY SHELTER**

TENANT	ULINE HOLDINGS LLC 215-48 JAMAICA AVE, QUEENS VILLAGE, NY 11428 To be sublet to: (HHH) HIPHOTICHELS INC.
PROPERTY OWNER INFORMATION & PROPERTY ADDRESS	541 WEST 21ST STREET NEW YORK, NY 10011 OWNER: ERBO PROPERTIES LLC 551 BEDFORD AVENUE, BROOKLYN, NEW YORK 11211,
BLOCK & LOT	Block: 693 Lot: 10
SQUARE FOOTAGE	60,000 sq feet
ZONING	CHELSEA, New York County
CB (COMMUNITY BOARD)	Manhattan Community Board 4 424 W. 33rd Street, Suite 580 New York, NY 10001 Telephone: 212-736-4536
CURRENT USE	TIER 2 SHELTER
SELLER'S BROKERS	HENRY WEISS 718-809-5700 hen611@gmail.com
MONTHLY & ANNUAL LEASE	MONTHLY: \$845,833.33 ANNUALLY: \$10,150,000.00
INTENDED USE	DEPARTMENT OF SOCIAL SERVICES (DSS) HUMAN RESOURCE ADMINISTRATION (HRA) <u>Asylum Seeker- Migrant Shelter- Tier 2 TRANSITIONAL CONGREGATE (180 UNITS/330 BEDS)</u> Housing A Nation Shelter for Single Adult & Adult Family Populations
LEASE TERM WITH RENEWALS	Department of Social Services (DSS) Asylum Sanctuary program launch and client move in anticipated to begin 9/01/2023- 8/30/2026 for 3 years term
SECURITY DEPOSIT	(2) MONTHS SECURITY = \$1,691,666.67 PLUS LAST MONTH RENT= \$845,833.33 MOVE IN COST TOTALING= \$2,537,500.00
UTILITIES / MAINTENANCE AND REPAIRS	Property Management Services will be provided by (HHH) HipHotdHelps Inc. Site Management staff with daily, weekly, and monthly documented site inspections. All internal repairs will be conducted and managed by HHH. It is required that property owner assign authorized approved representative to conduct a scheduled and documented site evaluation with the Chief Operations Officer/Site Director or assigned Facility Manager on a monthly basis. Property authorized representative will be required to sign monthly site evaluation for Site Management Plan SOP, monitoring, and reporting systems
TAXES/INSURANCE	HipHotdHelps Inc is a tax-exempt nonprofit 501 C3 corporation. Taxes will be paid by HHH and will request reimbursement. General Liability Insurance to be paid by HHH.
INTAKE AND ASSESSMENTS FOR PROGRAMMING SYSTEM PROPOSED HOURS OF OPERATIONS	(4) Intake & Assessment Case Managers, (5) Residential Aides with (28) Security Fire Safety Guards and (3) Supervisors 24 hours per day/ 7 days per week
CONCESSION AND REQUEST TO CITY OF NEW YORK	Building located at 541 WEST 21ST STREET NEW YORK, NY 10011 held exclusively for HIPHOTICHELS INC. Non-Profit 501 C3 Corporation for the duration of property vetting, viability, and approval. Review and Approvals are contingent upon the City of New York. After the execution of the lease and move in costs are submitted to Landlord by AUGUST 15th 2023, a request of "No Standing" for parking of transportation vans and loading cargo will be needed for seamless shelter operations with no obstructions for transport of residential clients and goods to HHH (subtenant) in preparation of the programming to begin 9/01/2023. BUILD OUT REQUIREMENTS FOR APPROVAL <u>FIRE ALARM SYSTEM MUST BE APPROVED BY FIRE DEPARTMENT</u> I. Residential Units Requirement Details: <u>Proposed 330 beds and 180 residential Units Adult & Family Shelter</u> (a) 30(100 sq ft) SRO (Single Room Occupancy 2nd Floor Only All ADA Compliant) equipped for Television and Wifi/Cable in each unit Each unit has a built in closet for ADA residents (b) 30 minimum per floor (120 sq ft) DRO (Double Room Occupancy 3th Floors) equipped for Television and Wifi/Cable in each unit Each unit has a built in closet for each double occupancy resident (c) All units without windows should have plexi-glass installed for light. (d) All units are required to have proper ventilation (AC/Heat) and will be controlled by HHH site management

	<p>Residential Unit Amenities Requirement Details:</p> <p>(a) 4 Bathrooms with 4 Showers on 2nd Floors (b) 4 Bathrooms with 4 Showers on 3, 4th, 5th, 6th, and 7th Floors (c) 2 Public ADA Compliant Bathroom for Clients 2 Private Staff Bathrooms / 2 Showers</p> <p>II. Ground Floor Requirement Details:</p> <p>(a) Commercial Kitchen/Dining Hall with Food Storage Pantry (appx 3000 sq ft See Exhibit A) (b) Recreational Room (appx 1000 sq ft) with large lounge area with fireplace and Television Ground Floor (c) Computer Room (200 sq ft) with 10 Computer stations along the wall and central printers (room must be secured & locked after curfew and bed check)</p> <p>Ground Floor</p> <p>(d) Staff/Security Break Room with Kitchenette (Ground Floor) (200 sq ft) (e) 5 Intake Offices (100 sq ft) with Computers/Wifi/Cable (Ground Floor) With Large Waiting Area (appx 1000 sq ft) (f) 2 Bathrooms 2 Showers (1) ADA Compliant Bathroom/Shower (Ground Floor)</p> <p>III. Cellar Floor Requirement Details:</p> <p>(a) Laundry Room with 8 Washers 8 Dryers (appx 2000 sq ft) Basement with Linen Closet (200 sq ft) (b) Resident Storage Room (appx 3000 sq ft) Basement (c) Janitorial Supply Closet (appx 1000 sq ft) Basement</p> <p>Property Evaluation Housing A Nation™ Shelters for Migrants 541 W 21 st Street. New York, New York 10011</p> <p>IV. 8th Floor HipHotcHelps Inc. Non-Profit Corporate Headquarter Offices for Housing A Nation Shelters</p> <p>(a) 20 Staff Offices (100 sq ft) (b) 2 Group Therapy Rooms (1000 sq ft) (c) 2 Finance Offices (200 sq ft) with built in closets that can be locked and secure (d) Conference Room (1000 sq ft) with Projector, Television, Wifi, (e) 4 Administrators Desk (No Office) with Computers/Printers/Scanners (200 sq ft) (f) Registered Scheduled Guest Waiting Area (400 sq ft) (g) Staff Cubicles (800 sq ft) (h) Chief Operations Officer/Site Management Office (400 sq ft) (i) Chief Executive Officer/Program Management Office (400 sq ft) (j) Supply Closet (appx 300 sq ft) Basement</p>
CONDITIONS	Letter of Intent is subject to ULINE HOLDINGS LLC receiving signed lease from subtenant HipHotcHelps Inc
Print Name: Signature of ULINE HOLDINGS LLC – Tenant Date:	
Print Name: Signature of ERBO PROPERTIES LLC – Landlord Date:	

Exhibit C



July 5, 2023

Isaac Nutovic
261 Madison Avenue, 26th Floor
New York, N.Y. 10016

541 West 21st Street (the "Building")

Dear Mr. Nutovic:

I am the Founder and Chairwoman of ("HHH") HipHoticHelps Inc, a non-profit corporation established in 2017 and its subsidiary nonprofit MedHelps Behavioral Health Clinics established in 2020. HHH has a website <https://hhhglobal.org/>. which provide context for and describes our mission. I am also the Executive Program Director and intellectual property owner /author of Housing A Nation™ Shelters,, Chance Academy™ Life Skills and Career Training Centers, Making Moves™ Low Income Housing and Employment Services.

My co-founding partner, COO and Executive Site Director, Dwayne Mayo and I have been managing to secure site control from start to finish for the proposed Housing A Nation™ program facility through at 541 West 21st Street, New York, NY 10011 for lease under our Housing a Nation™ Shelter for Single Adult Female & Adult Family during Round 1 Emergency Call Asylum Seekers Sanctuary Program that launches this Fall 2023.

I am writing at your request to provide verification of HHH's interest in subleasing the Building as its Housing A Nation™ NYC Headquarters. Based on our prior track record, HHH was sought out and partners with NYC's Office of Mayor and Department of Social Services ("DSS") to assist with the current immigrant crisis in the City of New York. HHH has received a funding allocation from DSS to provide housing for migrants and other homeless people and provide various social services, medical, mental health, life skills and career training, employment services, and housing placements to clients who are referred by the aforementioned agencies.

Extensive preliminary research and thorough site evaluation was performed at the proposed shelter facility and architectural drawings were even developed to determine whether it could fit with our needs and meet the requirements of New York State Office of Temporary Disability Assistance (OTDA) which provisions governs DSS New York City shelter programs.

HipHoticHelps Inc. Brooklyn Finance Office
545 Saratoga Avenue, Brooklyn, New York 11212

O: 718-346-7555 F: 718-346-7555

www.hhhglobal.org



HHH Founders/Executives and the building's authorized personnel conducted a detailed walk through of each floor and space of the Building for proper vetting and viability of the facility, proper communication of the provisions of the facility to become a shelter program, and proper budget management for housing and services for the number of people that could be accommodated in the Building. In addition, HHH provided a list of our program requirements and a binding Letter of Intent for the configuration of the Building. We have been provided with schematic drawings for configuration of the Building which appeared to fulfill these requirements and granted registration and pre-approval as a shelter facility with a build out contingency. These drawings were submitted to DSS and received preliminary approval on June 28, 2023 subject to final inspection.

Both myself and co-founding partner are the only authorized parties to commit to a lease of any kind as we are the Executive fiscal officers for the City of New York procurement funding. We have signed a binding letter of intent to our sublessor for the sublease of the Building located at 541 West 21st Street, New York, NY 10011, contingent on final inspection and approval by DSS 15 days before the lease starts. HHH needs to have the Building approved for expedited occupancy and initially was provided an proposed move in date for September 1, 2023. We will make a request to have that date extended by one month to October 1st, 2023 to meet the cycle of the Asylum Seekers Sanctuary Residential Shelter Program, as well as accommodate the request of need by the owners and sublessor to clear violations, complete the construction, obtain Certificate of Occupancy and have at least 2 weeks to VPN IT installation, the actual facility set up, and administer staff training for the launch of the program.

Sincerely,



Trish Van Buren, Founder
E: hiphotichelps@gmail.com
C: 347-940-6882

Exhibit D

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	: Chapter 11
	:
ERBO PROPERTIES LLC, <i>et al.</i>	: Case No.: 23-10210 (LGB)
	:
Debtors.	: (Jointly Administered)
-----X	

**ORDER EXTENDING THE DEADLINES SET FORTH IN THE COURT’S
JUNE 28, 2023 SCHEDULING ORDER**

Upon the application dated July 6, 2023 (the “Application”) of Erbo Properties LLC, Kova 521, LLC and Gold Mezz LLC, debtors and debtors-in-possession (the “Debtors”) seeking the entry of an Order extending the deadlines set forth in the Scheduling Order with Respect to Hearing on Disclosure Statement and Other Related Matters entered on June 28, 2023 (the “Scheduling Order”); and upon the declaration of Hershel Klein, dated July 6, 2023, in support of the Application; and after due deliberation; and it appearing that there is good cause to grant the relief requested herein; it is hereby **ORDERED** as follows:

1. The Debtors’ Application is granted to the extent set forth herein.
2. The Scheduling Order is amended as follows:
 - a) The Debtors shall have until July 20, 2023 at 5:00 pm (ET) to file an amended plan of reorganization and amended disclosure statement with the Court.
 - b) The Court will hold a discovery conference in connection with the amended disclosure statement on July ____, 2023 at ____ am (ET) on Zoom for Government.
 - c) Any objections to the approval of the amended disclosure statement must be filed no later than July 24, 2023 at 4:00 pm.
 - d) The hearing on the Debtors’ amended disclosure statement is adjourned to July 26, 2023 at ____ (ET) on Zoom for Government.

e) The hearing on the Lift Stay Order,¹ the Motion to Reject and the Motion to Enter into Agreements is adjourned to July 26, 2023 at ____ (ET) on Zoom for Government.

3. This Order is without prejudice to the rights of the Debtors or any other parties in interest to seek a further extension of the deadlines set forth herein.

Dated: New York, New York
July ____, 2023

HON. LISA G. BECKERMAN
U.S. BANKRUPTCY JUDGE

¹ All capitalized terms, not otherwise defined herein, shall have the meaning set forth in the Scheduling Order.